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CONTACT:

02-98
RICHARD MILLS/
RICARDO REYES
(202) 395-3230

United States Says New China Regulations Should Free Up Soybean Exports

WASHINGTON - China has officially published new measures that should provide a nine-month extension of interim provisions regulating biotech agriculture products, Secretary of Agriculture Ann M. Veneman and U.S. Trade Representative Robert B. Zoellick announced today, thereby allowing continued exports to China of up to \$1 billion in U.S. soybeans.

This extension follows through on assurances made to Deputy USTR Jon Huntsman and U.S. Chief Agricultural Negotiator Allen Johnson late last month that soybean trade would not be disrupted by new Chinese regulations on agricultural products derived from biotechnology. The implementation of these regulations, announced late last year, has been an ongoing concern for U.S. exporters.

"China is a huge market for U.S. soybeans, and uncertainties caused by China's biotech regulations have threatened \$1 billion in U.S. exports," Zoellick said. "We welcome China's commitment to ensure that trade in U.S. biotech agriculture products is not disrupted during this period of regulatory transition and thereafter. Working to expand trade opportunities and opening markets is a key part of our focus, but no less important is making sure that other countries follow the rules and live up to their commitments. We will be working closely with U.S. industry and Chinese officials to make sure trade in biotech agriculture products continues."

"China is one of the fastest growing markets for U.S. soybeans," said Veneman. "We have been working very closely with the Chinese government to ensure that its biotechnology regulations are implemented in a manner that does not disrupt U.S. exports of soybeans and other food and agricultural products," said Veneman. "China's announcement is an important step in assuring that the market continues to function smoothly as China implements its regulations. We look forward to continuing the close cooperative relationship on biotechnology that Chinese officials and I began when we met in July."

U.S. agricultural biotech products, such as soybeans, have been exported to China for over six years. Problems with U.S. soybean exports arose earlier this year when China implemented new safety certificates that created unfair burdens and requirements for U.S. farmers. Soybean trade was effectively blocked for three months, from January to March 2002, as USDA and USTR

officials worked to modify the new regulations.

In March, a temporary solution was announced in which China agreed to issue temporary certificates (good through December 15, 2002), thereby allowing U.S. soybean exports to resume while China completed its safety evaluation of biotech products. Since achieving this temporary fix, USDA and USTR officials have continued to work with Chinese officials to ensure that implementation of China's regulations does not disrupt U.S. exports. China's announcement and the concurrent assurances by China's senior leadership should remove the threat of an interruption of U.S. soybean sales to China.

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